

World Boxing Council

Consejo Mundial de Boxeo

July 13,1998

Senator John McCain
Chairman of the Committee
on Commerce, Science and
Transportation of the
United States Senate

Dear Senator McCain:

This document is in response to your kind request for me to attend the Senate hearing on July 23 of the current year in Washington, D.C., where I intend to arrive on July 22 flying from Mexico City.

The World Boxing Council was founded on February 14,1963, 35 years ago, and is formed today by 156 affiliated nations integrated in 9 continental boxing federations (see WBC bulletin on the Torremolinos Convention).

In our 35 years of existence, we have certified 1,221 world title bouts (Attachment 2), which represent our experience in regards to supervision of world title events and our wide involvement in WBC world championships.

The WBC appreciates the invitation and the opportunity to share our experiences and views with the Senate Commerce Committee in regards to the US Boxing Bill. Following are brief comments which we will broaden if you so wish, on the Muhammad Ali Boxing Reform Act Summary S.2238:

I. PROTECTING BOXERS FROM EXPLOITATION

SENATE'S ACT: 1. Declares that all contracts between boxers and promoters must be reasonable in length and terms, and contain terms specifying a minimum number of bouts per year for the boxer.

WBC: The WBC fully agrees with the purpose of this rule even when our organization has no relation or authority on boxers-promoters contracts. The most common length of time of contracts has been 3 years; but recently, many 5-year contracts have been signed, which seems too long to us, unless they are signed at the absolute discretion of the boxer and even so, 3 years plus an optional 2-years by the boxer's personal decision would be better, as we believe that 5 years are too many.

There are 2 important considerations from boxers regarding contracts:

Boxer-Promoter contracts.

A. Boxers who are not world champions nor fully experienced and must fight more often to develop their abilities but then, a problem is raised when they win a championship close to the end of the contracts, since promoters do invest and give opportunities for them to become world level contenders.

B. Champions, who do not fight as often and make much more purse money in this area, the WBC has a rule 1.21 (a) that requires champions to make at least 3 defenses every year, namely, every 4 months, which constitutes a promoter's commitment since they have to give them at least three title defenses every year.

*SENATE'S ACT: 2. Limits certain "option" between boxers and promoters to **one year** (Those where a boxer was forced to provide options to a promoter, as a condition of getting a particular bout. Prevents promoter from controlling a weight division by coercing options from all boxers).*

WBC: Option Contracts

One other evidence of our objections to long term agreements for champions, is WBC Rule 1.6 related to exclusive promotional agreements that states: "The WBC will not recognize or enforce exclusive promotional agreements executed between a promoter and a boxer."

The WBC Rule 1.4 does not authorize but one option for challengers to fight for a title, which also gives the challenger an opportunity to contest it, when there is any valid reason, if presented before the execution of the first bout. NO OPTIONS are allowed when mandatory defenses go to purse bids when champion and challenger were unable to reach an agreement.

Rule 1.4 "Options for Title Bouts. At the request of the promoter of a world title fight designated by the champion at the time of execution of a contract (excluding purse offers), the challenger is required to grant one (1) option for his first title defense in the event that he is successful in his challenge.

Notwithstanding the foregoing, with notice to the President and the promoter not later than five (5) days before the date of the first world title fight, a challenger may voluntarily grant the promoter additional options and these options will be valid, binding, and enforceable should the challenger not rescind them in writing. In order for the option clause to be enforceable by the WBC, it must be specific in its terms as to the boxer's compensation and the period during which it will be exercised under normal circumstances. The registration by the WBC of contracts containing options shall be under the foregoing terms."

Also Rule 1.5 states the right of the parties to file the agreements for the WBC to make sure that their are within the Rules.

Rule 1.7 states a limit of 4 months to exercise the option by a promoter unless special circumstances should arise.

Rule 1.8 states that if a promoter sells, assigns or transfers his interests, 50% of his income shall be given to the boxer.

The evidence described, clearly indicates that the WBC does not support options. We believe that one option is fair and good for boxing, as not all promoters are giants and most risk their money in every championship bout and many have modest profits, if any, so we constantly hear. It is also good as if there are no options promoters will always look for the weakest challenger on all voluntary defenses.

The WBC also agrees with this item of the rules proposed by the Committee, as it is stated in WBC Rules 1.3 and 1.9.

SENATE'S ACT 3. No promoter can require a boxer to hire an associate, relative, or any other individual, as the boxer's manager, or in any other employment capacity. (Stops a promoter from grabbing another 33% of a boxer's purse).

WBC: Rule 1.3 No Conflict of Interest. Subject to Rule 1.9. No person is permitted to act concurrently both as manager of a boxer and as promoter of a WBC championship contest involving the same boxer. To avoid any potential for a conflict of interest, and subject to Rule 1.9, no contest will be certified by the WBC if any person acts in such dual capacity.

Rule 1.9 Promoter's Ownership of Interest in Champion or Challenger. Except where the laws of the state or country where the contest is to be held allow, no promoter or other person organizing a championship match is permitted to own or control, directly or indirectly, any interest or right on any champion or challenger, except to the extent that options are permitted hereunder or are entered into voluntarily by the boxer with a promoter.

One other rule of the WBC to protect the income of boxers, is Rule WC-22 of the Championship rules which clearly states that payments to managers and boxers shall be made separate with no more than 33% for the manager.

SENATE'S ACT: 4. Prohibits conflicts of interest between managers of a boxer and the promoter. (Managers should be an independent advocate for the boxer).

Is closely related to Item 3, which is covered by our Rules as stated before.

II. SANCTIONING ORGANIZATIONS INTEGRITY REFORM

SENATE'S ACT: 1. Sanctioning organizations (SO) conducting business in the US must establish objective and consistent criteria for the rating of professional boxers.

WBC: The WBC has had for over the last 20 years a worldwide infrastructure as well as rules and policies, including a consistent criteria for the WBC ratings of professional boxers which we attach (Attachment 3). We are sure that the ratings of the WBC are the standard in the business as well as the most respected in the world by being the most representative, so we hear from top level people of the professional boxing industry.

SENATE'S ACT: 2. Each year, SO's must provide the following information either on a publicly accessible website or to the FTC: their bylaws, ratings criteria, and roster of officials who vote on their ratings.

WBC: The WBC issues monthly ratings (Attachment 4) where its Ratings Committee is involved. It also informs on all other matters of its ratings system at every annual world convention with the attendance of the boxing community from all over the world. However, we have absolutely no objection to provide any information to any institution as required by the Committee. The WBC will include this item in our website within the following 60-90 days.

*SENATE'S ACT: 3. When a SO changes their rating of a US boxer, it must **inform the boxer** in writing, of the reason for the change. Each SO must establish an **appeals process** for boxers in the U.S. to contest their ranking in writing, and receive a written response from the organization explaining its decision.*

WBC: We find this item almost impossible for the WBC to comply with, as we do not have almost one single address or any way to communicate with the boxers that we rate; our ratings are issued on the basis of merits and boxing results which are taken from newspaper articles, boxing commission reports, ratings committee member reports, occasionally from boxing managers. reports on records as well as during our world conventions from delegates and attendants.

Also, the time taken by the Secretary and the Chairman is overwhelming only for their 4 monthly compilations which are made from very extensive reports from the several committee members in the different continents, as well as the report publications gathered at the WBC office, the synthesis and consultation by the Secretary with the Chairman from Australia. It would be absolutely impossible to have a direct line of communications with an important number of boxers whose domiciles are not known and who refuse to inform them to us. Furthermore, the hiring of the necessary people would require a considerable expense, without any possibility of efficiency.

Just as an example of the above, the WBC has been unable even to know the addresses of most of our world champions, as their representatives object to that, and the promoters, on the other hand, do not inform us the boxer's representatives addresses after the signing up of the title bout contracts. Our Heavyweight champion, Lennox Lewis, for example, has never given us his address.

Ours is a world monthly compilation with a half-year full review, as well as a review by the General Assembly every year, to which all the boxing community of the US and the world are invited, with the right to participate.

What we do is publish our ratings in our monthly report sent according with a mailing list comprising more than 3,000 people including all newspapers that we know of, as well as boxing commissions. We do receive communications from interested people (never from boxers) who read that information and with whom our Ratings Committee maintains correspondence.

The amount of work that we do on ratings every month, is overwhelming. We find it very difficult, especially when no addresses are available. Enclosed you will find the typical monthly file with the monthly reports received by our Ratings Committee from all the different nations (Attachment 5). We are not enclosing other multiple results we receive every month like confederations results, newspapers results articles, etc.

We would, however, contemplate any other alternative like adding a report of ratings modifications attached to the ratings list, or whatever other action that the WBC could efficiently execute.

To strengthen our positions regarding the fairness and merits of our ratings, we are attaching a list of all title bouts held in the last 5 years certified by the WBC with the technical evaluation as reported from our bout representatives and serious newspapers (Attachment 6). The impressive high percentage of very good

and good fight evaluations proves the consistency and merits of the WBC Ratings.

SENATE'S ACT: 4. No SO can receive payments or compensation from a promoter, boxer, or manager, except for the established sanctioning fee and expenses they receive for sanctioning a bout, which must be reported to the relevant State commission.

WBC: Payments from Promoters.

The WBC does not, never has, and will never receive compensation different from promoters any other compensation different from the corresponding sanction fees, as well as those on payments made to ring officials and representatives.

We have received in the past sponsorship for congresses or conventions, like the First Boxing World Medical Congress held in Aruba in 1997 with the participation of doctors representing 83 countries, which could not have been held on our own. Four publications are attached for your review (Attachments 7, 8, 9 and 10). To these events, we occasionally invite all available promoters without any distinction, even when not all of them correspond.

The WBC respectfully informs the Committee that we are involved in many different activities to serve the world of boxing, which include the 156 nations affiliated to our organization, for example:

A. We have a Benevolent Fund to cover pension plans for some indigent boxers and those who are in critical economic conditions, like:

- I) A modest pension for food and medicine for Emile Griffith (USA);
- ii) A modest pension for food and medicine for Wilfred Benitez (Puerto Rico);
- iii) A modest pension for food and medicine for Saengsak Muangsurin (Thailand);
- iv) A modest pension for food and medicine for Kid Gavilan (Cuba-USA);
- v) A modest pension for food and medicine for Jose Becerra (Mexico,

and many other donations in the different countries of the world, like our donation to Jack Cohen for a liver transplant; a pension to Mrs. Joe Louis for her retirement home, wheel chair, false teeth, and her funeral; hospital expenses for Jimmy Garcia for over \$100,000 US, and a life insurance of \$200,000 given to his family; a donation to the family of Esteban de Jesus, who died of AIDS, as well as other donations constantly given by the WBC all over the world.

B. We have a Medical Foundation called "SPAR" ,through which we have donated \$700,000 US, which allowed the UCLA Brain Injury Research Center, headed by Dr. Donald P. Becker, to accomplish a research so advanced that they got a 5-year grant of \$3,500,000 US by the National Institute of Health, Division of Stroke and Trauma.

C. We constantly organize medical and ring officials congresses and seminars, being the most important, the WBC First World Medical Congress held in Aruba in 1997, with a total cost of \$494,866.93 (Attachment 15).

The promoters expenses on ring officials are always reported to boxing commissions and we will have no objections to report the sanction fees, which, in the past, were collected by some commissions and later transferred to us.

D. We organize every year, world conventions to allow the boxing committees to participate in the betterment and updating of boxing.

III. PUBLIC INTEREST DISCLOSURES TO STATE BOXING COMMISSION

SENATOR'S ACT: 1. SO's must disclose to a state boxing commission all charges and fees they will impose on the boxer(s) competing in the event, as well as all payments and revenues the SO receives.

WBC: The WBC presents a report (Attachment 11) for every WBC title bout including names of ring officials, their fees as well as the sanction fees, which are mailed to the city commissions where the title bout takes place. The WBC can not, however, determine the sanction fees prior to the bouts, as promoters usually do not provide or bout contracts or written information in this regard to the WBC, until the time that the WBC representatives meet with them, and even then we base the sanction fees on their word.

SENATOR'S ACT: 2. The promoter(s) affiliated with each event shall file a complete and accurate copy of all contracts they have with the boxer pertaining to the event, with the boxing commission prior to the event~ and disclose in writing all fees, charges, and costs they will assess on the boxer(s). Club level boxing events (those less than 10 rounds) are excluded. No burden on club shows.

WBC: This is not an item of the WBC, but we have witnessed that some boxing commissions follow the Committee's recommendations, which is a good rule, for its implied certification of authenticity in bout agreements.

SENATOR'S ACT 3. Disclosures made under this Act to a State Commission shall also be made available upon request to the State Attorney General's Office.

WBC: The WBC has never had nor will have any objection to disclose whatever information is asked from us by any State Attorney General.

I believe it would be of interest to enclose as well the Minutes of our 35th World Convention in Torremolinos, Spain, in 1997 (Attachment 12), where you will see the Ratings Committee Item of the agenda, as well as the mandatory defenses system, and everything else showing how WBC conventions are conducted.

In addition, we are also attaching the WBC Constitution (Attachment 13), the WBC Rules and Regulations (Attachment 14) which cover all what we state in this report and all other matters of the WBC to be included in our files. These Rules are being reviewed by the WBC Legal Committee, during a meeting scheduled prior to our coming 36th World Convention in South Africa, and must submit their study and recommendations, if any, to said convention, to which we extend the members of the Committee on Commerce, Science and Transportation of the Senate, our cordial and respectful invitation to attend.

We hope that all the above information from the WBC is useful for the coming hearing on July 23rd, in accordance with your letter of invitation, but please do not hesitate to contact us for whatever further information you might need.

Please accept my respectful regards, as well as the assurances of our full cooperation.

Jose Sulaiman Ch.
President